

Message Text

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ACTION NEA-12

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FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 4835

INFO AMEMBASSY ALGIERS

AMEMBASSY BEIRUT

USINT CAIRO

AMCONSUL DHAHRAN

AMEMBASSY KUWAIT

AMEMBASSY LONDON

AMEMBASSY TEHRAN

AMEMBASSY TEL AVIV

UNCLAS JIDDA 3805

E.O. 11652: N/A

TAGS: PFOR, ENRG, SA

SUBJECT: KING FAISAL INTERVIEW WITH NEWSWEEK

FOLLOWING IS FULL OFFICIAL ENGLISH VERSION OF KING FAISAL
INTERVIEW WITH NEWSWEEK PUBLISHED THIS WEEK:

Q. 1. YOUR MAJESTY, IN RECENT WEEKS YOU HAVE INDICATED THAT
THE UNITED STATES' ENERGY NEEDS AND THE MIDDLE EAST POLITICAL
SITUATION CAN NO LONGER BE CONSIDERED SEPARATELY. WHAT IS
SAUDI ARABIAN OIL POLICY IN RELATION TO AMERICA'S NEED FOR
LONG-TERM GUARANTEED OIL SUPPLIES,

A. 1. LOGIC REQUIRES THAT OUR OIL PRODUCTION DOES NOT EXCEED
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THE LIMITS THAT CAN BE ABSORBED BY OUR ECONOMY. SHOULD WE
DECIDE TO EXCEED THAT LIMIT IN RESPONSE TO THE NEEDS OF THE U.S.
AND THE WEST, TWO CONDITIONS MUST FIRST BE SATISFIED. FIRSTLY,
THE U.S. AND THE WEST MUST EFFECTIVELY ASSIST THE KINGDOM OF

SAUDI ARABIA IN INDUSTRIALIZING ITSELF IN ORDER TO CREAT AN ALTERNATIVE SOURCE OF INCOME TO OIL (THE DEPLETION OF WHICH WE SHALL BE ACCELERATING BY INCREASING PRODUCTION) AND SO THAT WE CAN ABSORB THE EXCESS INCOME RESULTING FROM PRODUCTION AT SUCH A LEVEL. SECONDLY, THE SUITABLE POLITICAL ATMOSPHERE, HITHERTO DISTURBED BY THE MIDDLE EAST CRISIS AND ZIONIST EXPAN-SIONIST AMBITIONS, MUST BE PRESENT.

Q. 2. ONLY A YEAR AGO YOU STATED THAT SAUDI ARABIAN OIL WOULD NEVER BE USED POLITICALLY. I BELIEVE YOU CALLED THE NOTION "DANGEROUS." WHAT HAS CAUSED YOU TO CHANGE YOUR MIND?

A. 2. WE HAVE NOT CHANGED OUR MIND. WE STILL BELIEVE THAT OUR OIL SHOULD CONTINUE TO FLOW TO ITS TRADITIONAL MARKETS WITHIN THE LIMITS I MENTIONED EARLIER AND WHICH CONFORM WITH THE NEEDS OF OUR DOMESTIC ECONOMY. AS FOR THE QUESTION OF INCREASING PRODUCTION TO A LEVEL WHICH CONFLICTS WITH OUR ECONOMIC INTER-ESTS, THIS IS A POLITICAL MATTER FOR WHICH A SUITABLE POLITICAL ATMOSPHERE MUST BE PREPARED. ALSO SOLUTIONS MUST BE FOUND FOR ITS ECONOMICALLY UNDESIRABLE EFFECTS.

Q. 3. DO YOU SEE ANY INDICATION THAT WASHINGTON HAS HEARD YOU OR THAT THE UNITED STATES IS WILLING TO MODIFY ITS MIDDLE EAST POLICY?

A. 3. WASHINGTON HAS UNDOUBTEDLY HEARD US AND KNOWS OUR TRUE POSITION WHICH EMANATES FROM OUR TRADITIONAL FRIENDSHIP WITH THER AMERICAN PEOPLE. AS FOR THE SECOND PART OF THE QUESTION, WE FEEL IT SHOULD BE ADDRESSED TO WASHINGTON ITSELF, WHO WE HOPE WILL COOPERATE WITH US IN PRESERVING THE INTERESTS OF THE AMERICAN NATION AND THE WHOLE FREE WORLD.

Q. 4. WHAT KIND OF AMERICAN ACTION WOULD YOU CONSIDER AN ADE-QUATE RESPONSE?

A. 4. ABSTAINING FROM ADOPTING BIASED ATTITUDES AND FROM GIVING UNLIMITED AID TO ISRAEL, WHICH HAS RESULTED IN INCREASING UNCLASSIFIED

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ISRAEL'S ARROGANCE AND LET IT TO REJECT PEACE AND TO INSIST ON THE RETENTION OF ITS WAR GAINS. AMERICA IS, TO A LARGE EXTENT, RESPONSIBLE FOR RECTIFYING THIS SITUATION.

Q. 5. IF NO U.S. RESPONSE IS FORTHCOMING, WHAT EXACTLY WILL HAPPEN? ARE WE TALKING ABOUT A FREEZE IN SAUDI ARABIAN OIL PRODUCTION, OR PERHAPS A SIGNIFICANT REDUCTION IN THE RATE OF EXPANSION?

A. 5. IF NO AMERICAN RESPONSE IS FORTHCOMING, ONE OF THE CONDI-TIONS FOR INCREASING OUR PRODUCTION WILL NOT HAVE BEEN SATISFIED. WE SHALL THEN VIEW THE MATTER EXCLUSIVELY FROM THE VIEWPOINT OF OUR SELF INTERESTS. IN THIS CASE THE RESULTANT RISE IN PRICES

MAY LEAD TO AN INCREASE OF INCOME WHICH WOULD NECESSITATE A CUTBACK IN PRODUCTION. THE TWO ISSUES ARE INTERLINKED AS A CUTBACK IN PRODUCTION WOULD LEAD TO A SUDDEN AND SUBSTANTIAL RISE IN PRICES.

Q. 6. AT THIS MOMENT, FOR EXAMPLE, THE PRODUCTION SCHEDULE AGREED UPON LAST YEAR BETWEEN YOUR GOVERNMENT AND ARAMCO IS STILL AWAITING FINAL CLEARANCE. IS IT POSSIBLE THAT SCHEDULE WILL BE REVISED OR THAT YOUR DECISION MIGHT BE LEFT PENDING UNTIL YOU SEE POSITIVE RESULTS FROM WASHINGTON?

A. 6. THE PRODUCTION SCHEDULES HAVE NOT BEEN AGREED UPON WITH OUR GOVERNMENT. AS FOR DETERMINING THE LEVEL OF PRODUCTION, WHETHER THIS ENTAILS AN INCREASE, A REDUCTION OR A FREEZE, THIS IS A FUNCTION EXERCISED BY THE STATE BY VIRTUE OF ITS SOVEREIGNTY. IT IS NOT A MATTER FOR WHICH AGREEMENT IS NEEDED WITH THE COMPANIES OPERATING ON ITS TERRITORY.

Q. 7. IF SAUDI ARABIA IS FORCED TO PENALIZE THE UNITED STATES, WILL THE NATIONS OF WESTERN EUROPE OR JAPAN ALSO BE INCLUDED, OR WILL EACH BE JUDGED ON ITS OWN ATTITUDE TOWARDS THE MIDDLE EAST CRISIS?

A. 7. WE DO NOT THINK WITH A PUNITIVE MENTALITY. THE U.S., JAPAN AND THE NATIONS OF WESTERN EUROPE ARE ALL OUR FRIENDS AND WE DESIRE SINCERE COOPERATION WITH THEM. HOWEVER, SUCH COOPERATION REQUIRES ACTION ON BOTH SIDES; NOT SACRIFICES ON ONE SIDE AND NEGATIVE, IF NOT HOSTILE, ATTITUDES ON THE OTHER
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SIDES.

Q. 8. IRAN HAS JUST ANNOUNCED IT WILL INCREASE ITS OIL PRODUCTION TO EIGHT MILLION BARRELS A DAY BY 1978 IN LINE WITH AMERICAN REQUIREMENTS. DOESN'T THIS PLEDGE AT THIS TIME TEND TO UNDERCUT YOUR PRESENT POSITION?

A. 8. IRAN'S INCREASED PRODUCTION WILL NOT CONTRIBUTE MUCH TO SATISFYING THE INCREASING NEED FOR ENERGY IN THE WORLD. THE IRANIAN ECONOMY REQUIRES THIS INCREASE IN OIL PRODUCTION. IF 8 MILLION B/D HAD NOT BEEN THE UPPER LIMIT OF THE PRODUCING CAPACITY OF IRAN'S OILFIELDS, WE WOULD HAVE EXPECTED AN EVEN GREATER INCREASE.

Q. 9. IN VIEW OF IRAN'S RAPID MILITARY BUILDUP AND THE SHAH'S DECLARED GOAL OF SUPREMACY IN THE GULF, DO YOU FORESEE A COMPETITION OVER WHETHER IT IS TO BE THE PERSIAN GULF OR THE ARABIAN GULF?

A. 9. THE COUNTRIES BORDERING ON THE GULF ARE IRAN AND THE OTHER LITTORAL ARAB STATES. MILITARY CAPABILITY DOES NOT CHANGE THE NATURE OF THINGS. IT SHOULD BE DIRECTED TOWARDS

COOPERATION RATHER THAN COMPETITION AND TOWARDS CHECKING THE DANGERS THAT THREATEN THIS SENSITIVE AREA OF THE WORLD.

Q. 10. THE SHAH HAS TOLD NEWSWEEK HE WILL NOT TOLERATE THE TAKEOVER OF ANY OF THE GULF SHAIKHDOMS BY RADICAL REGIMES. ISN'T IT YOUR RESPONSIBILITY RATHER THAN TEHRAN'S TO PREVENT SUCH EVENTS ON THIS SIDE OF THE WATER?

A. 10. THE PRESERVATION OF STABILITY IN THE GULF AREA IS THE RESPONSIBILITY OF ALL THE STATES BORDERING ON IT, AND THEY MUST COOPERATE WITH EACH OTHER TO ENSURE THIS.

Q. 11. SAUDI ARABIA IS ALREADY THE CENTER OF ISLAM AND THE MIDEAST'S LARGEST OIL PRODUCER. BY NOW USING YOUR OIL POLITICALLY AS WELL ISN'T IT INEVITABLE THAT SAUDI ARABIA WILL BE PLAYING A MORE ACTIVE ROLE IN PROVIDING POLITICAL LEADERSHIP FOR THE ARABS? HOW DO YOU SEE YOUR COUNTRY'S POLITICAL ROLE IN THE AREA?

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A. 11. WE DO NOT ASPIRE TO LEADERSHIP. ALL THAT WE AIM FOR IS TO SECURE PEACE, BASED ON JUSTICE, IN THE AREA AND TO ENSURE A BETTER LIFE FOR ALL ITS NATIONS.

Q. 12. WITH THE STAGGERING AMOUNT OF OIL WEALTH AT SAUDI ARABIA'S DISPOSAL, HOW DO YOU PLAN TO USE THIS MONEY WITHIN THE COUNTRY?

A. 12. WE PLAN TO USE IT IN ESTABLISHING A SOUND ECONOMIC BASE FOR THE KINGDOM; IN ADVANCING EDUCATION; IN CREATING ALTERNATIVE SOURCES OF INCOME TO OIL REVENUE, WITH PRIORITY BEING GIVEN TO INDUSTRIALIZING THE COUNTRY.

Q. 13. CAN RAPID DEVELOPMENT AND MODERNIZATION IN SAUDI ARABIA BE CONTROLLED TO PREVENT DAMAGE TO THE TRADITIONAL WAY OF LIFE HERE?

A. 13. WE DO NOT BELIEVE THAT DEVELOPMENT CONFLICTS WITH OUR FAITH AND OUR TRADITIONAL PRINCIPLES. THIS DOES NOT MEAN THAT WE WILL TOLERATE A DECLINE IN MORALS SUCH AS THAT WHICH IS SPREADING IN SOME PARTS OF THE WORLD. MORAL DECLINE, IN ANY FORM, IS NOT ONE OF THE FRUITS OF DEVELOPMENT: IT IS RATHER AN OBSTACLE TO IT.

Q. 14. WHAT IMPACT ON THE COUNTRY DO YOU FORESEE FROM THE LARGE NUMBERS OF YOUNG PEOPLE RETURNING WITH NEW TECHNICAL AND MANAGERIAL SKILLS FROM UNIVERSITIES AROUND THE WORLD?

A. 14. IT WILL ENABLE US TO FULFILL OUR HOPES OF INDUSTRIALIZING OUR COUNTRY AND ADVANCING IT.

Q. 15. SAUDI ARABIA AND EGYPT SEEM TO BE GETTING ALONG BETTER THAN EVER BEFORE. WHAT IS YOUR RELATIONSHIP WITH CAIRO AT THE MOMENT AND WHAT DEVELOPMENTS DO YOU EXPECT?

A. 15. OUR RELATIONSHIP WITH EGYPT IS GETTING STRONGER WITH TIME AND IS PROGRESSING FROM GOOD TO BETTER. WE EXPECT EVEN MORE COOPERATION WITH EGYPT AND WITH ALL THE ARAB COUNTRIES.

Q. 16. YOUR MAJESTY HAS OFTEN EXPRESSED THE WISH THAT SAUDI ARABIA ACT AS A CATALYST TO IMPROVE LINKS BETWEEN ALL THE
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NATIONS OF ISLAM. WHAT PLANS DO YOU HAVE TO ACCOMPLISH THIS?

A. 16. THE ISLAMIC CONFERENCE REPRESENTS AN IMPORTANT STEP AND AN EFFECTIVE MEANS OF BRINGING THE ISLAMIC NATIONS TOGETHER TO FORM A PROTECTIVE SHIELD AGAINST THE DESTRUCTIVE CURRENTS WHICH STRIVE TO DESTROY THEM AND THE WORLD THAT BELIEVES IN GOD. WE SHALL MAKE EVERY EFFORT TO COOPERATE WITH OUR BROTHERS IN THE ISLAMIC WORLD TOWARDS ACHIEVING THESE AIMS.
THACHER

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